

***United States Court of Appeals
for the Second Circuit***



APPENDIX

77-7026

United States Court of Appeals

FOR THE SECOND CIRCUIT

Docket No. 77-7026

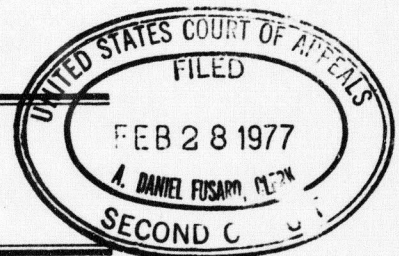
INTER-REGIONAL FINANCIAL GROUP, INC.,
Plaintiff-Appellee,

—v.—

CYRUS HASHEMI,
Defendant-Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

APPENDIX



FRANK W. MURPHY
Slavitt, Connery & Vardamis
Attorneys for Defendant-Appellant
618 West Avenue
Norwalk, Connecticut, 06852.

PAGINATION AS IN ORIGINAL COPY

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205	YR	NUMBER	MO	DAY	YEAR	J	Nr	O	H	23	\$	250	OTHER	NUMBER	DEM.	YH	NUMBER
205	5	76	216	07	28	76	4	190	1	31				0507		76	216

PLAINTIFFS

INTER-REGIONAL FINANCIAL GROUP, INC.

DEFENDANTS

HASHEMI, CYRUS

CAUSE

Breach of Indemnity Contract.

lge

ATTORNEYS

Paul E. Knag & Robert P. Dolian
Cummings & Lockwood
One Atlantic Street
Stamford, Connecticut 06904
Tel. 327-1700

Frank W. Murphy
618 West Ave.
Norwalk, Conn.
(Firm name: Slavitt, Connery &
Vardamis)
822-7551

☐ CHECK HERE		DATE		FILING FEES PAID		C.D. NUMBER		STATISTICAL CARDS	
IF CASE WAS		07-29-76		RECEIPT NUMBER		8/9/76 Deposit GF100869 \$15.00		CARD	
FILED IN		1/4/77 APPEAL \$5.00		1/11/77 Deposit GF100869 \$5.00				DATE MAILED	
FORMA								JS-5	
PAUPER'S								JS-6	
UNITED STATES DISTRICT COURT DOCKET									

DC-111 (Rev. 1/75)

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DATE 1976	NR.	PROCEEDINGS
7/28	1	Complaint, filed.
7/28	2	Civil Cover Sheet, filed.
7/28	3	Appearance of Paul E. Knag, Esq., entered for pltf.
7/28	4	Motion For Appointment Of A Person (Constable Frank Zezima or Julius Blois, Deputy Sheriff) To Serve Process, filed. ORDERED ACCORDINGLY. MARKOWSKI, M. M-7/28/76
7/28	5	Application For Prejudgment Remedy To The United States District Court for The District Of Connecticut, filed by pltf.
7/28	6	Affidavit Of Robert W. Fischer In Support Of Application For Prejudgment Remedy And In Support Of Application For Temporary Restraining Order And Order To Show Cause, filed.
7/28	7	Application For Temporary Restraining Order and Order To Show Cause, filed.
7/28	8	Certificate Re Notice, re Appl. For Prejudgment Remedy, TRO and OSC, filed.
7/28	9	Temporary Restraining Order and Order To Show Cause, filed and entered. Ordered that deft., his agents, etc., are restrained for a period of 10 days from date from transferring, concealing or otherwise disposing of any securities, from withdrawing funds or writing checks on Union Trust Co., and from removing any property sought to be attached from this jurisdiction or from deft.'s home; in event deft. wants to sell securities, he shall be entitled to do so only by bank within State of Conn. to a) arrange for sale; b) agree in writing to hold proceeds in escrow and c) give notice of agreement and sale to pltf.'s attorney; that pltf. give security in sum of \$250.00 re TRO; and that deft. appear at Hartford, Aug. 6, 1976, 9:00 a.m., with securities and show cause why pltf.'s application for prejudgment remedy should not be granted and why permanent injunction should not issue; that service of Order, and copy of papers on deft. on or before Aug. 2, 1976, 5:00 p.m. deemed sufficient service. ZAMPANO, J. M-7/29/76.
7/28	10	Bond On Temporary Restraining Order in sum of \$250.00, filed by pltf.
7/28		Summons issued and copies of all papers and attested copies of Order handed To Atty. Knag for service.
8/3		Summons reissued and together with attested copies thereof handed Atty. Knag for service.
8/3	11	Pltf's Application to Amend Temporary Restraining Order, filed.
8/3	12	Amended Temporary Restraining Order and Order to Show Cause, filed and entered. Newman, J. Ordered that deft. be restrained for period to & including 3:30 p.m., Aug. 16, 1976, from transferring, etc. any securities, etc.; that pltf. give security in sum of \$250.00; that hearing for 8/6/76 is adjourned and that deft. appear on 8/10/76 at 9:15 a.m. at Hartford before J.O.H.; that service of this ORDER on or before Aug. 6, 1976. M-9/3/76.
8/4		Attested copies of ORDER, as amended, mailed to Atty. Knag. Service to be made by Indifferent Person.
8/6	13	Return of Service of Julius Blois, filed. Service on deft. 7/29/76. (of papers with Summons issued 7/28/76)
8/6	14	Return of Service of Julius Blois, filed. Service on deft. 8/5/76. (of papers with Summons issued August 3, 1976)

PLAINTIFF	DEFENDANT	DOCKET NO. <u>B-76-</u>
INTER-REGIONAL FINANCIAL GROUP, INC.	CYRUS HASHEMI	PAGE <u>2</u> OF <u> </u> PAC

DATE	NR.	PROCEEDINGS
8/6		Hearing on ORDER TO SHOW CAUSE & T.R.O. - Newman, J. Appearance of Frank W. Murphy, Esq., 618 West Ave., Norwalk, Conn., filed. Hearing on Preliminary Injunction and Pre-Judgment Remedy over to Wed., Aug. 18, 1976 at 4:00 p.m. Counsel to submit modifications to restraining order and extension thereof for Court's approval. (Merchant, R., Templeton, D.C.) Court 9:30 a.m. - 3:15 p.m. M-8/10/76-B.
8/6	15	Appearance of Frank W. Murphy, Esq., entered for defendant.
8/11		Court Reporter's Notes of proceedings held before Newman, J. on Aug. 6, 1976 at Hartford, filed at New Haven. Merchant, R.
8/12	16	SECOND AMENDED TEMPORARY RESTRAINING ORDER AND ORDER TO SHOW CAUSE, filed and entered. NEWMAN, J. Ordered that deft., et al, are restrained until Aug. 18, 1976 and thereafter until decision on pending applications for P.J. Remedy and injunction from transferring, etc., any securities, etc., to diminish from highest average balance on any day since July 28, 1976, etc.; that pltf. give security in sum of \$250. in connection with T.R.O., that hearing on 8/10/76 is adjourned and that deft. appear before this Court at Hartford before J.O.N. on Aug. 18, 1976 at 4:00 p.m. (see Order for details). Copies to counsel. M-8/13/76.
8/18		HEARING ON APPLICATION FOR PRE-JUDGMENT REMEDY and PRELIMINARY INJUNCTION. NEWMAN, J. 3:45 p.m. to 4:15 p.m. Court met with counsel in chambers. 5:25 p.m. Court and counsel meet in chambers to discuss resolution. Hartford. (Rowe, D.C., Cohen, R.)
8/20	17	Appearance of Robert P. Dolian, Esq., entered for pltf.
8/30	18	Notice of Taking Deposition of Person with custody of business records at First National Bank of St. Paul on Aug. 31, 1976, 2:00 p.m., at Minneapolis, Minnesota, filed by pltf.
8/30	19	Notice of Taking Deposition of Cyrus Hashemi on Sept. 2, 1976 at 10:00 a.m. at offices of Cummings & Lockwood, Stamford, filed by pltf.
9/10	20	Notice To Take Deposition of Robert W. Fisher, Aug. 31, 1976, 10:00 a.m. at law firm of Dorsey, Marquart, Windhorse, West & Halladay, Minneapolis, Minnesota, filed by deft.
9/10	21	Deposition of Robert W. Fischer, filed.
9/10	22	Defendant's Brief On Scope Of Attachment Order, filed.
9/10	23	Defendant's Brief On Plaintiff's Application For Pre-Judgment Remedy, filed.
9/15	24	Notice of Taking Deposition of CYRUS HASHEMI, Sept. 27, 1976, 11:00 a.m. at offices of Cummings & Lockwood, Stamford, filed by pltf.
9/17	25	Plaintiff's Memorandum In Support Of Its Request For Prejudgment Remedy Including Injunctive Relief, filed.
9/20	26	Affidavit of John L. Walton, filed.

OVER

DC-111A REV. (1/75)

PLAINTIFF	DEFENDANT	DOCKET NO. <u>B-76-216</u>
INTER-REGIONAL FINANCIAL GROUP, INC.	CYRUS HASHEMI	PAGE <u>3</u> OF <u> </u> PAGES

DATE	NR.	PROCEEDINGS
9/28	27	Defendant's Reply Brief, filed.
10/4	28	Answer, Affirmative Defenses And Counterclaim, filed.
10/4	29	DEFENDANT'S MOTION TO CITE IN ADDITIONAL DEFENDANT, filed.
10/26	30	Defendant's Memo. on Motion to Cite in Additional Defendant, filed.
10/28	31	RULING ON APPLICATION FOR PREJUDGMENT REMEDY, filed and entered. NEWMAN, J. On the basis of the <u>Fleming</u> case, the type of pre-judgment remedy including an injunction sought by the plaintiff is granted. A revised form of the proposed order may be submitted. M-10/20/76. Copies to counsel and TEC, MJB, RCZ, JON, JEL, AHL, FOE, U. Conn. Law Review.
11/2	32	Stipulation For Extension Of Time, filed by parties, that time within which may reply or otherwise plead to deft's counterclaim is extended to and including Nov.20,1976. ORDERED ACCORDINGLY. MARKOWSKI,C. M-11/3/76. Copies to counsel.
11/5	33	Stipulation For Extension Of Time To File Brief, filed.
11/10	34	Plaintiff's Brief In Opposition To Defendant's Motion To Cite In Additional Defendant, filed.
11/10	35	Plaintiff's Motion To Dismiss Counterclaims, filed.
11/10	36	Brief In Support Of Motion To Dismiss Counterclaims, filed.
11/16		Stipulation For Ext. (#33), endorsed: "Granted." ZAMPANO,J. M-11/17/76. Copies to counsel.
11/24	37	Motion For Extension Of Time to file brief on pltf's motion to dismiss the counterclaim to Dec.15,1976, filed by deft.
11/26	38	Stipulation that provisions of Second Amended TRO shall remain in effect as to deft.'s automobile until such time as deft. shall furnish a bond in form acceptable to pltf. or until pltf. shall effect its prejudgment remedy; that this stipulation is separate from and without prejudice to any injunction which may be entered, and shall in no way affect such injunction or appeals filed by deft. from any injunction order, filed by parties. "APPROVED." ZAMPANO,J. M-11/29/76. Copies to counsel.
11/29	39	Stipulation for Extension of Time to File Brief (deft. to and including 12/15/76) filed by parties. APPROVED. Zampano, J. M-11/30/76. Copies to counsel.
12/1		Deft.'s Mo. For Extension (#37), endorsed: "Granted." ZAMPANO,J. M-12/7/76. Copies to counsel.
12/13		Per Misc.Cal.RCZ: Hearing on Motions To Cite In Additional Defendants and Dismiss Counterclaim-- OVER to Jan.17,1977.
12/15	40	Defendant's Motion For Protective Order, filed.
12/16	41	Stipulation, filed by parties, For Extension Of Time within which deft. may file brief on pltf.'s motion to dismiss counterclaim to and including Jan.5,1977, ORDERED ACCORDINGLY. MARKOWSKI,C. M-12/17/76. Copies to counsel.

-- continued --

CIVIL DOCKET CONTINUATION SHEET

EPI MI-3 14 75 50M 3511

PLAINTIFF	DEFENDANT	DOCKET NO.
INTER-REGIONAL FINANCIAL GROUP, INC.	CYRUS HASHEMI	B-76-216
		PAGE 4 OF ____ PAGES

DATE	NR.	PROCEEDINGS
1976		
12/16		Defendant's Motion for Protective Order (for second day of deft's deposition for no earlier than 1/3/77 and no later than Jan. 17, 1977), endorsed: Granted. Zampano, J. M-12/20/76. Copies to counsel. (No. 40) <i>12-20-76</i>
12/28	42	INJUNCTION, filed and entered. NEWMAN, J. M-12/20/76. Ordered that defendant shall surrender to Deputy Clerk of this Court, Bpt., securities on or before January 14, 1977, and Ordered that writ of attachment and garnishment may issue to secure the sum of \$300,000. Copies to Attys. Knag, Dolian and Murphy. <i>12-28-76</i>
1977		
1/4	43	Defendant's Notice of Appeal from decision entered on December 28, 1976, filed. Copies to counsel of record.
1/4	44	Defendant's Personal Bond on Appeal Secured by Cash Deposit (Check #10338 in amount of \$250.00 issued by firm of Slavitt, Conner and Vardamis), filed. Copies of document sent counsel of record.
1/4	45	Defendant's Motion for Stay of Attachment Order, filed. <i>1-4-77</i>
1/4		Civil Appeals Management Plan and Forms C and D handed to representative of Atty. Murphy.
1/5		Certified copies of Notice of Appeal, Personal Bond on Appeal Secured by Cash Deposit and Docket Entries forwarded Clerk, U. S. Court of Appeals.
1/6	46	Defendant's Brief in Opposition to Motion to Dismiss Counterclaims, filed. <i>1-6-77</i>
1/10		Acknowledgment of receipt of copies of Notice of Appeal, etc. received from Clerk, U. S. Court of Appeals.
1/7		Per Misc. Cal. of JON: Oral Argument on Motion for Stay Pending Appeal - over to Mon. Jan. 10, 1977 at 2:00 p.m. M1/10/77
1/10		HEARING held on Motion to Stay: Memorandum in Partial Opposition to Motion for Stay of Attachment Order and Affidavit of Thomas Holloran, filed by Plaintiff. Court offers 3 possibilities: 1) Defendant shall comply with order; or 2) A sufficient bond in the amount of \$150,000 be posted; or 3) Defendant seek stay from Court of Appeals. NEWMAN, J. in N. H. (Gale, R., Rowe, D.C.) Court from 2:20 p.m. to 3:00 p.m. M-1/11/77
1/17		HEARING held on Defendant's Motion to Cite in Additional Defendant and Plaintiff's Motion to Dismiss Counterclaim: Counsel agree to have matter submitted on the papers. If they wish to be heard it can be scheduled this week at 10:00 a.m. ZAMPANO, J. M-1/17/77 (Russell, R., Rowe, D.C.) Court 11:25 a.m. to 11:31 a.m.
1/17		Plaintiff's Reply Brief in Support of Its Motion to Dismiss Counterclaims, filed. <i>1-17-77</i>

CIVIL DOCKET CONTINUATION SHEET

FPI M-3 14 25 50M 351

PLAINTIFF INTER-REGIONAL FINANCIAL GROUP, INC.	DEFENDANT CYRUS HACHEMI	DOCKET NO. B-76- PAGE 5 OF PA
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DATE	NR.	PROCEEDINGS
1977 1/19		Transcript of proceedings held on Jan. 10, 1977 in New Haven before Newman, J., filed.

CIVIL DOCKET CONTINUATION SHEET

-7a-

FD-111A (Rev. 1-18-75) 50M 3511

PLAINTIFF

DEFENDANT

INTER-REGIONAL FINANCIAL
GROUP, INC.

CYRUS HASHEMI

DOCKET NO. B-76-2PAGE 5 OF PAGE

DATE	NR.	PROCEEDINGS
<u>1977</u>		
1/19	48	Transcript of proceedings held on Jan. 10, 1977 in New Haven before Newman, J., filed.
1/21		Record on Appeal forwarded Clerk, U. S. Court of Appeals by Certified Mail #598581 with return receipt and Special Delivery, together with 2 extra copies of the Index. Copies of Index and Docket Entries sent Attys. Murphy, Knag and Dolian.
1/21	49	Defendant's Reply Brief in Opposition to Motion to Dismiss Counterclaim, filed. <i>LC 1-21-77</i>
1/21	50	Defendant's Reply Brief on Motion to Cite in Additional Defendant, filed. <i>LC 1-21-77</i>
1/24	51	Deposition of Cyrus Hashemi, filed. <i>LC 1-24-77</i>

FILED

JUL 17 3 53 PM '76

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

INTER-REGIONAL FINANCIAL GROUP, INC.,	)	
	)	
Plaintiff,	)	
	)	CIVIL ACTION NO.
v.	)	
	)	
CYRUS HASHEMI,	)	B-76-216
	)	
Defendant.	)	

COMPLAINT

Plaintiff, for its complaint, alleges as follows:

1. Plaintiff, Inter-Regional Financial Group, Inc., (hereinafter "IFG"), is a Delaware Corporation whose principal offices are located at 100 Dain Tower, Minneapolis, Minnesota.
2. Defendant, Cyrus Hashemi (hereinafter "Hashemi"), is a citizen of Iran and is not a United States citizen, and his usual place of abode is 44 Arrowhead Way, Darien, Connecticut.
3. The amount in controversy exclusive of interest and costs exceeds the sum of \$10,000.00.
4. This Court has jurisdiction pursuant to 28 U.S.C. §1332, and venue is proper pursuant to 28 U.S.C. §1391.
5. Coronado Group, Ltd., (hereinafter "Coronado"), borrowed \$250,000.00 (hereinafter "the Loan") from Banque Scandinave en Suisse pursuant to a loan agreement (hereinafter "the Loan Agreement") dated November 28, 1975. A copy of the Loan Agreement is attached hereto as Exhibit A and incorporated herein by reference.
6. The Loan was secured by an irrevocable Letter of

Credit No. 4378 (hereinafter "the Letter of Credit") issued by the First National Bank of St. Paul on November 24, 1975.

7. The Letter of Credit was obtained by IFG for Coronado and was issued pursuant to IFG's application (hereinafter the "Application") to the First National Bank of St. Paul dated November 24, 1975. A copy of the Application is attached hereto as Exhibit B and incorporated herein by reference.

8. In said Application, IFG agreed to reimburse First National Bank of St. Paul for any payments made under the Letter of Credit.

9. Hashemi and Coronado entered into an Indemnity and Guaranty Agreement (hereinafter "the Indemnity Agreement") dated February 11, 1976 under which Hashemi agreed to indemnify and hold harmless IFG from any and all liabilities it may actually be called upon to pay by reason of, inter alia, its obligations under the Application. A copy of the Indemnity Agreement is attached hereto as Exhibit C and incorporated herein by reference.

10. On July 15, 1976, First National Bank of St. Paul paid \$250,000.00 to Banque Scandinave en Suisse under the Letter of Credit.

11. Also, on July 15, 1976, IFG paid First National Bank of St. Paul \$250,000.00 pursuant to its undertaking in the Application to reimburse First National Bank of St. Paul for the amount paid under the Letter of Credit.

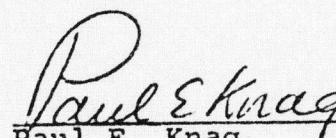
12. On July 14, 1976, IFG telegraphed Hashemi, demanding payment by noon, July 16, 1976, of \$250,000.00 pursuant to Hashemi's obligation under the Indemnity Agreement.

13. Hashemi has made no payment to IFG and has thereby breached the Indemnity Agreement.

WHEREFORE, it is respectfully prayed that this Court:

1. Award damages totalling \$250,000.00 plus attorney's fees and costs of collection, plus interest from July 16, 1976, until such time as judgment is rendered in this action.
2. Enter a reasonable order for periodic payments to be made regularly by the defendant from any debts accrued or accruing by reason of the personal services of said defendant in accordance with the statutes in such cases made and provided.
3. Award such other and further relief as the Court deems just and proper.

Notice is hereby given that any judgment rendered herein may be satisfied from any debts accrued or accruing by reason of the personal services of the defendant.


Paul E. Knag
Attorney for Plaintiff
Inter-Regional Financial Group, Inc.
Cummings & Lockwood
One Atlantic Street
Stamford, Connecticut 06904
(203) 327-1700

LOAN AGREEMENT

Banque Scandinave en Suisse, Geneva (the Bank), hereby grants to CORONADO GROUP LIMITED, 1185 Avenue of the Americas, New York (the Borrower), a loan in the amount of

US\$ 250.000.- (us-dollars twohundredandfiftythousand)

on a current account, on the following conditions:

Duration: The loan will be available for a period of six months as from 2nd December, 1975.

Repayment: At the end of the loan period, i.e. on 2nd June, 1976.

Interest: The rate of interest at present 9% p.a. will be calculated on the actual number of days elapsed on a 360 day year basis and may be changed at 10 days notice.

All payments of principal and interest to be made by the Borrower under this agreement shall be made without deduction of present or future taxes or charges. In the event of the Borrower being compelled by law to deduct any such taxes or charges the Borrower will pay such additional amounts as will result in the receipt by the Bank of the full amounts due hereunder.

Security: Irrevocable and unconditioned letter of credit covering the loan amount issued by First National Bank of St Paul, St. Paul, Minnesota U.S.A.

Other conditions: This loan agreement is subject to the General Conditions of Banque Scandinave en Suisse.

The Bank may terminate the loan agreement if:

- payments of interest have not been effected when due.
- a situation arises, which compromises the repayment of the loan.

Commission: 1/4% per quarter on amount granted.

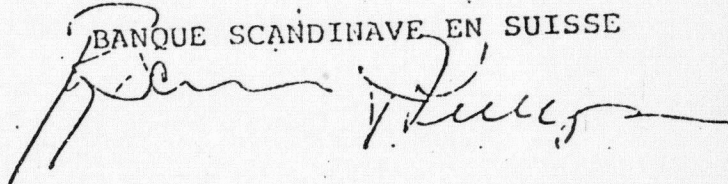
./.

BANQUE SCANDINAVE EN SUISSE

This loan agreement has been made out and signed in duplicate.

Geneva, November 28, 1975

BANQUE SCANDINAVE EN SUISSE



The Borrower:

CORONADO GROUP LIMITED

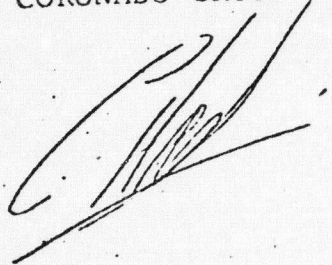


EXHIBIT B



INTER-REGIONAL FINANCIAL GROUP INC.

November 24, 1975

The First National Bank of Saint Paul
332 Minnesota Street
Saint Paul, Minnesota 55101

Attention: Mr. R. A. Dougherty, Vice President

Gentlemen:

Re: Application for Letter of Credit

Please issue a letter of credit in the following form and deliver it to Banque Scandinave En Suisse, Rand Point de Rive 1211, Geneva, Switzerland.

IRREVOCABLE LETTER OF CREDIT

NO.: 4378
DATED: November 24, 1975

TO: Banque Scandinave En Suisse
Attention: Mr. Hamilton or
Mr. Pihlgren
Rand Point de Rive 1211
Geneva, Switzerland

Gentlemen:

We hereby authorize you to draw on us at sight for any sum not exceeding Two Hundred Fifty Thousand and no/100 United States Dollars, U.S. \$250,000, for account of Coronado Group Limited.

The draft must be presented to The First National Bank of Saint Paul at their International Banking Department not later than 2:00 p.m. on the tenth day of June, 1976, after which time this letter of credit will expire, and when presented must be accompanied by:

- 1) This letter of credit
- 2) Credit Facility Agreement signed by Cyrus Hashemi, President, Coronado Group Limited.

100 Dain Tower / Minneapolis, Minnesota 55402 / 612-371-7550 / Telex: 29 0247

Associated Bank Company • Bancroft, Sullivan & Company • Dain, Kohnen & Quail Incorporated • Dain Corporation
100 W. Dain & Company Incorporated • Bancroft & Company Incorporated • H.C. Consultants Incorporated

The First National Bank of Saint Paul
November 24, 1975

- 3) A signed statement by the drawer of the draft to the effect that it is the holder of said credit facility agreement, that said credit facility agreement was duly presented for payment and was not paid when due, and that there remains due thereon an amount not less than the amount of the draft.

The draft must bear upon its face the clause "Drawn under Letter of Credit No. 4378 dated November 24, 1975, of The First National Bank of Saint Paul, St. Paul, Minnesota."

We hereby agree that the draft drawn in compliance with the terms of this letter of credit will be duly honored upon presentation and delivery of documents as specified, and we hereby waive any rights to defer honor of such draft. We also waive any warranties by the drawer of the draft with respect to said credit facility agreement except those specifically set forth in the signed statements pursuant to paragraph (3) above.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1974 Revision) International Chamber of Commerce Brochure Number 290.

THIS LETTER OF CREDIT IS IRREVOCABLE.

THE FIRST NATIONAL BANK OF SAINT PAUL

By _____
Vice President

We agree to the payment of a fee of one-half of one percent per annum of the maximum draft allowable under the letter of credit. Enclosed in payment of your fee for this letter of credit is a check payable to your order in the amount of \$625.

We hereby agree as follows:

- 1) To reimburse you upon your demand in the amount of the draft paid by you under the above letter of credit together with interest from the date such draft is paid by you at your prime rate of interest;
- 2) To reimburse you for all your out-of-pocket costs including attorneys fees incurred in the preparation of this application and the above letter of credit as well as those incurred in collecting any sums we are obligated to pay hereunder;

The First National Bank of Saint Paul
November 24, 1975

- 3) To hold you harmless from all damages and pay all expenses you may incur in connection with any controversy arising from the issuance of this letter of credit, including your reasonable attorneys fees.

Dated this 24th day of November, 1975.

Very truly yours,

INTER-REGIONAL FINANCIAL GROUP, INC.

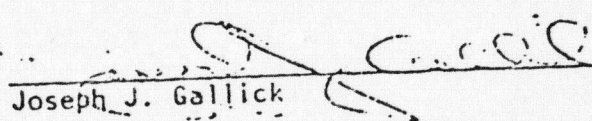

Joseph J. Gallick

EXHIBIT C

Indemnity and Guaranty Agreement by and among Coronado Group Limited, a Bermuda corporation ("Coronado"), Inter-Regional Financial Group, Inc. ("IFG") and Cyrus Hashemi ("Hashemi").

WHEREAS, each of IFG and Hashemi own substantial amounts of ordinary shares in the capital of Coronado; and

WHEREAS, IFG has provided, and expects to continue to provide, financial accommodations to Coronado; and

WHEREAS, Coronado, IFG, and Hashemi desire to continue such arrangements as provided herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Upon demand by Coronado, IFG hereby agrees that it will, from time to time prior to the close of business on December 31, 1976, provide financial accommodations to Coronado in the amount of up to U.S. \$250,000 outstanding at any time.

a. For purposes of the foregoing, the term "financial accommodations" shall mean liabilities incurred by IFG to persons other than Coronado which arise from guarantees, indorsements, undertakings, consignings, suretyships, the providing of security, or any other transaction

EXHIBIT C

BEST COPY AVAILABLE

2.

whereby IFG is, or agrees to become, liable for obligations of Coronado (including any and all obligations of subsidiaries of Coronado for which IFG may become so liable).

b. Without limiting the generality of the foregoing, the term financial accommodations (i) specifically includes any and all amounts IFG may be called upon to pay as a result of obtaining for Coronado a Letter of Credit (the "L/C") (No. 4378) issued November 24, 1975 by the First National Bank of St. Paul, Minnesota, addressed to Banque Scandinave En Suisse, Rand Point de Rive 1211, Geneva, Switzerland, and (ii) specifically excludes any financial accommodations (other than the L/C) outstanding on February 10, 1976.

2. Hashemi hereby agrees to indemnify and hold harmless IFG from any and all liabilities it may actually be called upon to pay by reason of the financial accommodations.

a. Upon demand by IFG, Hashemi agrees to (i) assume the defense of any action brought against IFG arising from obligations, or on account, of Coronado in connection with the financial accommodations and (ii) assume all reasonable expenses (including employment of counsel satisfactory to IFG) of such defense, including satisfaction of any judgment or other judicial determination of IFG's liability.

b. The foregoing provisions of this paragraph 2 shall continue until written notice of revocation is received by IFG and such revocation shall only be effective as to financial accommodations entered into by IFG after receipt of such notice of revocation.

3.

3. Coronado hereby agrees to indemnify and hold harmless Hashemi from any and all liabilities and/or expenses he may be called upon to pay by reason of the indemnity granted by Hashemi pursuant to paragraph 2 above.

4. This agreement may not be modified or terminated orally, but only by a written agreement signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have signed this agreement as of the 11th day of February, 1976.

CYRUS HASHEMI

By _____

CORONADO GROUP LIMITED

By _____

INTER-REGIONAL FINANCIAL GROUP, INC.

By _____

FILED

JUL 23 3 53 PM '76

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

U.S. DISTRICT COURT
NEW HAVEN, CONN.

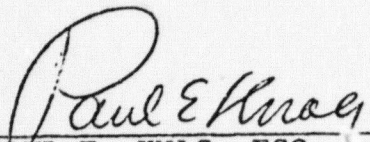
INTER-REGIONAL FINANCIAL GROUP,)	
INC.,)	CIVIL ACTION NO.
Plaintiff,)	B-76-216
V.)	
CYRUS HASHEMI,)	
Defendant.)	

APPLICATION FOR PREJUDGMENT REMEDY
TO THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

The undersigned represents that:

1. The Inter-Regional Financial Group, Inc., is filing a complaint against Cyrus Hashemi, a citizen of Iran residing in Darien, Connecticut.
2. There is probable cause that a judgment will be rendered in such matter in favor of the applicant, and to secure such judgment the applicant seeks an order from this Court permitting the plaintiff to attach and/or garnish to secure the sum of \$350,000:
 - A. The property or debtors of defendant described in the financial statement annexed hereto as Exhibit A.
 - B. The proceeds of such property.
 - C. All securities now or hereafter owned by him.
 - D. Defendant's Mercedes-Benz automobile.

E. Any other property or debtor of the defendant which is or may be subject to this court's process.



PAUL E. KNAG, ESQ.
Attorney for Plaintiff
Cummings & Lockwood
One Atlantic Street
Stamford, Connecticut 06904
203-327-1700

COLONY MANAGEMENT CO.

Suite 501, The International Centre
P.O. BOX 2018, HAMILTON 5, BERMUDA

TELEPHONE: 2-7697

Your Ref:
Our Ref:

Cable: DONDRO

Telex: Bermuda 315

Personal Financial Position For

Mr. Cyrus Hashemi

at December 31, 1973

(Expressed in U.S. Dollars)

ASSETS

Current Assets

Cash (Sch. I)
Cash on Deposit (Sch. II)
Securities (Sch. III)
Life Insurance (Note a)

\$ 31,717
180,760
2,090,340
92,280

\$2,395

TOTAL CURRENT ASSETS

668

FIXED ASSETS (Sch. IV)

119

PERSONAL ASSETS (Sch. V)

\$3,179

TOTAL ASSETS

LIABILITIES AND NET WORTH

Current Liabilities

Accounts Payable (Sch. VI)
Notes Payable

\$ 16,500
75,000

\$ 9

TOTAL CURRENT LIABILITIES

Long-Term Liabilities

Mortgage Payable: U.S.A.
" " Foreign (S.F. 450,000)

\$ 84,000
138,462

\$ 2

TOTAL LONGTERM LIABILITIES

\$2,8

NET WORTH

\$3,1

TOTAL LIABILITIES AND NET WORTH

COLONY MANAGEMENT CO.

Suite 501, The International Centre
P.O. BOX 2018, HAMILTON 5, BERMUDA

TELEPHONE: 2-7697

Your Ref:
Our Ref:

Cables: DONARD

Telex: Bermuda 315

SCHEDULE I

CASH IN BANK

Banque Scandinave en Suisse (S.F. 8,098.05)	\$ 2,491
Banque Scandinave en Suisse	7,610
Morgan Guaranty - Paris (F.F. 14,653.60)	3,122
Morgan Guaranty - New York	11,691
Union Trust	<u>6,803</u>
	<u>\$ 31,717</u>

COLONY MANAGEMENT CO.

Suite 501, The International Centre
P.O. BOX 2018, HAMILTON 5, BERMUDA

TELEPHONE: 2-1607

Your Ref:
Our Ref:

Cables: DCHIRO

Telex: Bermuda 315

SCHEDULE II

CASH ON DEPOSIT

Banque Scandinave en Suisse

- S.F. 100,000 non interest bearing
- U.S. \$ 150,000 @ 7 1/2% P.A.

\$ 30,760

150,000

\$ 180,760

-24a-
COLONY MANAGEMENT CO.

Suite 501, The International Centre
P.O. BOX 2018, HAMILTON 5, BERMUDA

TELEPHONE: 2-7667

Your Ref:
Our Ref:

Cables: DONGRO

Telex: Bermuda 315

SCHEDULE III

SECURITIES

Various New York and American Stock Exchanges Holdings - cost	\$ 111,200
--	------------

Coronado Group Ltd. S.F. 2,100,000 plus U.S. \$ invest.	689,460
--	---------

PRECIOUS METALS

London: Silver

- 250,000 Troy ozs. June 74 @ £ 148	\$ 853,400
- 100,000 " " Dec. 74 @ £ 154	357,280

OTHERS

2 Shares Hoffman La Roche	<u>74,000</u>
	<u>\$2,090,340</u>

-25a-
COLONY MANAGEMENT CO.

Suite 501, The International Centre
P.O. BOX 2018, HAMILTON 5, BERMUDA

TELEPHONE: 2-7007

Your Ad:
Our Ad:

Cables: DONARD

Telex: Bermuda 315

SCHEDULE IV

FIXED ASSETS

Property - U.S.A.

- Land and house - Connecticut \$ 183,000

Property - FOREIGN

- Apartment in Paris (F.F. 400,000) 85,200
- Land in Switzerland (S.F. 1,300,000) 399,880
(In Trust)

\$ 668,080

COLONY MANAGEMENT CO.

Suite 501, The International Centre
P.O. BOX 2018, HAMILTON 5, BERMUDA

TELEPHONE: 2-7667

Your Ref:
Our Ref:

Cables: DONGRO

Telex: Bermuda 315

SCHEDULE V

PERSONAL ASSETS

Automobiles (2)
Furniture & Fixtures
Carpets
Antiques
Furs & Jewelry

\$	15,000
	35,000
	25,000
	20,000
	20,000
\$	115,000

COLONY MANAGEMENT CO.

Suite 531, The International Centre
P.O. BOX 2013, HAMILTON 5, BERMUDA

TELEPHONE: 2-7007

Your Ref:
Our Ref:

Cables: DONDRO

Telex: Bermuda 315

SCHEDULE VI

ACCOUNTS PAYABLE

Various Credit Card Charges
Installment Payments

\$ 4,000
12,500

\$ 16,500.

COLONY MANAGEMENT CO.

Suite 501, The International Centre
P.O. BOX 2016, HAMILTON 5, BERMUDA

Cables: DONBRO

Telex: Bermuda 315

TELEPHONE: 2-7667

Your Ref:

Our Ref:

NOTES

- a) Assurances Generales de France
Fully paid life policy of S.F. 300,000
bearing interest at 3 1/4% per annum \$ 92,280

- b) Rates used at year end December 31, 1973
as quoted by the Wall Street Journal are
as follows:

Swiss Francs	3.25 to U.S. \$1
French Francs	4.694 to US. \$1
Pounds Sterling	2.32 U.S. \$1 to £ 1

FILED

JUL 28 3 54 PM '76

U.S. DISTRICT COURT
NEW HAVEN, CONN.

UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

INTER-REGIONAL FINANCIAL GROUP, INC.	)	
	)	
Plaintiff,	)	
	)	CIVIL ACTION NO.
v.	)	
	)	
CYRUS HASHEMI,	)	B-76-216
	)	
Defendant.	)	

APPLICATION FOR TEMPORARY
RESTRAINING ORDER AND ORDER TO SHOW CAUSE

The undersigned represents:

1. That Inter-Regional Financial Group, Inc. is filing its complaint herein together with this application and its application for prejudgment remedy.
2. That for the reasons stated in the annexed affidavit of Robert W. Fischer unless this Court entertains an immediate temporary restraining order, plaintiff believes that defendant may transfer himself or his property out of the jurisdiction prior to the hearing on the application for prejudgment remedy.

WHEREFORE, plaintiff prays that this Court enter:

- (a) a temporary restraining order, pursuant to Sections 42a-8-317 of the Connecticut General Statutes and Rule 65(b) of the Federal Rules of Civil Procedure enjoining and restraining

defendant, his agents, employees, attorneys and all persons acting in concert or participation with him from selling, transferring, concealing or in any manner disposing of any securities owned by him without selling same through a Connecticut bank which agrees to hold the proceeds pending the further order of this Court, and notifies plaintiff's attorney of said agreement, and enjoining and restraining them from withdrawing funds from or writing checks drawn upon bank accounts in or certificates of the Union Trust Company, and enjoining and restraining them from removing any property sought to be attached herein from this jurisdiction or from defendant's home in Darien.

(b) an order requiring defendant to appear before this Court ^{at Hartford} with the certificates evidencing the securities owned by him on the 6th day of August , 1976 at 10:00 a.m.; or as soon thereafter as counsel can be heard, to show cause why plaintiff's application for prejudgment remedy should not be granted and why a permanent injunction should not be issued enjoining defendant, his agents, employees, attorneys, and all person in active concert and participation with him pending consummation of any prejudgment remedy awarded herein from withdrawing funds from or writing checks drawn upon bank accounts in or certificates of the Union Trust Company, and enjoining and restraining them from removing any property sought to be attached herein from this jurisdiction or defendant's home in Darien, and requiring defendant, his agents, employees, attorneys, and all persons acting in concert or participation with him to endorse any and all certificates evidencing such securities in blank for transfer and to deposit

the same with the Court to be attached in accordance with the process of this Court, as security for any judgment which may be rendered herein.

Dated at Stamford, Connecticut, this 26th day of July,
1976.


Paul E. Knaq
Attorney for Plaintiff
Cummings & Lockwood
One Atlantic Street
Stamford, Connecticut 06904
(203) 327-1700

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

FILED
JUL 23 5 54 PM
U.S. DISTRICT COURT
NEW HAVEN, CONN.

INTER-REGIONAL FINANCIAL GROUP, INC.,)
)
Plaintiff,)
)
v.)
)
CYRUS HASHEMI,)
)
Defendant.)

CIVIL ACTION NO.
B-76-216

AFFIDAVIT OF ROBERT W. FISCHER
IN SUPPORT OF APPLICATION FOR PREJUDGMENT
REMEDY AND IN SUPPORT OF APPLICATION
FOR TEMPORARY RESTRAINING ORDER
AND ORDER TO SHOW CAUSE

STATE OF MINNESOTA)
) ss. Minneapolis
COUNTY OF HENNEPIN)

ROBERT W. FISCHER, being duly sworn states:

1. I am Vice-Chairman of Inter-Regional Financial Group, Inc. (hereinafter "IFG"), the plaintiff in the above-entitled action.
2. The statements in this affidavit are based on my own personal knowledge and on the records, documents, and files of IFG.
3. On November 28, 1975, Coronado Group, Ltd. (hereinafter "Coronado, Ltd."), borrowed \$250,000.00 from Banque Scandinave en Suisse. The security for this loan was an irrevocable Letter of Credit Number 4378 (hereinafter "The Letter of Credit"). A copy of said Letter of Credit is attached hereto as Exhibit A.
4. The Letter of Credit was obtained for Coronado, Ltd. by IFG and was issued pursuant to IFG's application (hereinafter "the Application") to First National Bank of St. Paul dated November 24, 1975. In said Application, IFG agreed to reimburse First National Bank of St. Paul for any payments made under the Letter of Credit. A copy of said Application is

attached hereto as Exhibit B.

5. IFG, Coronado, Ltd., and Cyrus Hashemi, who is the President of Coronado, Ltd., entered into an indemnity and guaranty agreement (hereinafter "the Indemnity Agreement") dated February 11, 1976, under which Cyrus Hashemi agreed to indemnify IFG and hold it harmless from any and all liabilities it may actually be called upon to pay by reason of, inter alia, its obligations under the Application. A copy of said Indemnity Agreement is attached hereto as Exhibit C.

6. On July 15, 1976, First National Bank of St. Paul paid \$250,000.00 to Banque Scandinave en Suisse under the Letter of Credit and called upon IFG to reimburse it in said amount.

7. On that same day, July 15, 1976, IFG accordingly paid \$250,000.00 to First National Bank of St. Paul in fulfillment of IFG's undertakings under the Application.

8. IFG has demanded payment of \$250,000.00 from Cyrus Hashemi pursuant to his obligations to IFG under the Indemnity Agreement, but said sum has not been paid. A copy of the demand is attached hereto as Exhibit D.

9. Your deponent knows of no set offs or counterclaims to this claim against the defendant.

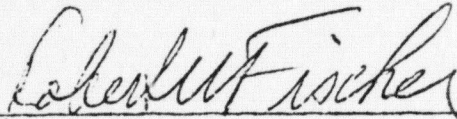
10. Mr. Hashemi is a citizen of Iran. He moved to Darien, Connecticut in or about 1972 in connection with his duties for Coronado, Ltd. and/or its affiliates.

11. In or about April, 1976, Mr. Hashemi's home in Darien, Connecticut was placed on the market for a short period. Shortly thereafter, the Connecticut office from which Mr. Hashemi operated was closed. Mr. Hashemi ceased acting as President of Coronado, Ltd. and affiliated companies, and said companies are now expected to be liquidated in the near future.

12. I have spoken with a shareholder of Coronado, Ltd. who met with Mr. Hashemi in Europe on July 22, 1976, and he advises that Mr.

Hashemi has stated that he will move to Paris shortly after the lease of his Paris Apartment to a third party expires in August, and that he has enrolled his children in school in Paris commencing in September.

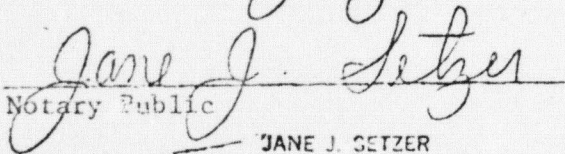
13. Under the circumstances, your deponent believes that there is probable cause for the claim against Mr. Hashemi by IFG, and that an appropriate prejudgment remedy should be granted to secure any judgment which may be rendered on said claim. Further, your deponent believes, based on all the foregoing, that there is a reasonable likelihood that Mr. Hashemi is about to remove himself or his property out of the jurisdiction.



Robert W. Fischer

Subscribed and sworn to before me

this 23 day of July, 1976.


Notary Public

JANE J. SETZER
Notary Public, Washington County, Minn.
My Commission Expires Oct. 29, 1980



INTER-REGIONAL FINANCIAL GROUP INC.

November 24, 1975

The First National Bank of Saint Paul
332 Minnesota Street
Saint Paul, Minnesota 55101

Attention: Mr. R. A. Dougherty, Vice President

Gentlemen:

Re: Application for Letter of Credit

Please issue a letter of credit in the following form and deliver it to Banque Scandinave En Suisse, Rand Point de Rive 1211, Geneva, Switzerland.

IRREVOCABLE LETTER OF CREDIT

NO.: 4378

DATED: November 24, 1975

TO: Banque Scandinave En Suisse
Attention: Mr. Hamilton or
Mr. Pihlgren
Rand Point de Rive 1211
Geneva, Switzerland

Gentlemen:

We hereby authorize you to draw on us at sight for any sum not exceeding Two Hundred Fifty Thousand and no/100 United States Dollars, U.S. \$250,000, for account of Coronado Group Limited.

The draft must be presented to The First National Bank of Saint Paul at their International Banking Department not later than 2:00 p.m. on the tenth day of June, 1976, after which time this letter of credit will expire, and when presented must be accompanied by:

- 1) This letter of credit
- 2) Credit Facility Agreement signed by Cyrus Hashemi, President, Coronado Group Limited.

The First National Bank of Saint Paul
November 24, 1975

- 3) A signed statement by the drawer of the draft to the effect that it is the holder of said credit facility agreement, that said credit facility agreement was duly presented for payment and was not paid when due, and that there remains due thereon an amount not less than the amount of the draft.

The draft must bear upon its face the clause "Drawn under Letter of Credit No. 4378 dated November 24, 1975, of The First National Bank of Saint Paul, St. Paul, Minnesota."

We hereby agree that the draft drawn in compliance with the terms of this letter of credit will be duly honored upon presentation and delivery of documents as specified, and we hereby waive any rights to defer honor of such draft. We also waive any warranties by the drawer of the draft with respect to said credit facility agreement except those specifically set forth in the signed statements pursuant to paragraph (3) above.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1974 Revision) International Chamber of Commerce Brochure Number 290.

THIS LETTER OF CREDIT IS IRREVOCABLE.

THE FIRST NATIONAL BANK OF SAINT PAUL

By _____
Vice President

We agree to the payment of a fee of one-half of one percent per annum of the maximum draft allowable under the letter of credit. Enclosed in payment of your fee for this letter of credit is a check payable to your order in the amount of \$625.

We hereby agree as follows:

- 1) To reimburse you upon your demand in the amount of the draft paid by you under the above letter of credit together with interest from the date such draft is paid by you at your prime rate of interest;
- 2) To reimburse you for all your out-of-pocket costs including attorneys fees incurred in the preparation of this application and the above letter of credit as well as those incurred in collecting any sums we are obligated to pay hereunder;

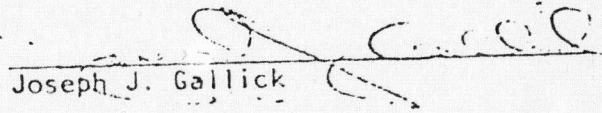
The First National Bank of Saint Paul
November 24, 1975

- 3) To hold you harmless from all damages and pay all expenses you may incur in connection with any controversy arising from the issuance of this letter of credit, including your reasonable attorneys fees.

Dated this 24th day of November, 1975.

Very truly yours,

INTER-REGIONAL FINANCIAL GROUP, INC.


Joseph J. Gallick

Indemnity and Guaranty Agreement by and among Coronado Group Limited, a Bermuda corporation ("Coronado"), Inter-Regional Financial Group, Inc. ("IFG") and Cyrus Hashemi ("Hashemi").

WHEREAS, each of IFG and Hashemi own substantial amounts of ordinary shares in the capital of Coronado; and

WHEREAS, IFG has provided, and expects to continue to provide, financial accommodations to Coronado; and

WHEREAS, Coronado, IFG, and Hashemi desire to continue such arrangements as provided herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Upon demand by Coronado, IFG hereby agrees that it will, from time to time prior to the close of business on December 31, 1976, provide financial accommodations to Coronado in the amount of up to U.S. \$250,000 outstanding at any time.

- a. For purposes of the foregoing, the term "financial accommodations" shall mean liabilities incurred by IFG to persons other than Coronado which arise from guarantees, indorsements, undertakings, cosignings, suretyships, the providing of security, or any other transaction

whereby IFG is, or agrees to become, liable for obligations of Coronado (including any and all obligations of subsidiaries of Coronado for which IFG may become so liable).

b. Without limiting the generality of the foregoing, the term financial accommodations (i) specifically includes any and all amounts IFG may be called upon to pay as a result of obtaining for Coronado a Letter of Credit (the "L/C") (No. 4378) issued November 24, 1975 by the First National Bank of St. Paul, Minnesota, addressed to Banque Scandinave En Suisse, Rand Point de Rive 1211, Geneva, Switzerland, and (ii) specifically excludes any financial accommodations (other than the L/C) outstanding on February 10, 1976.

2. Hashemi hereby agrees to indemnify and hold harmless IFG from any and all liabilities it may actually be called upon to pay by reason of the financial accommodations.

a. Upon demand by IFG, Hashemi agrees to (i) assume the defense of any action brought against IFG arising from obligations, or on account, of Coronado in connection with the financial accommodations and (ii) assume all reasonable expenses (including employment of counsel satisfactory to IFG) of such defense, including satisfaction of any judgment or other judicial determination of IFG's liability.

b. The foregoing provisions of this paragraph 2 shall continue until written notice of revocation is received by IFG and such revocation shall only be effective as to financial accommodations entered into by IFG after receipt of such notice of revocation.

3. Coronado hereby agrees to indemnify and hold harmless Hashemi from any and all liabilities and/or expenses he may be called upon to pay by reason of the indemnity granted by Hashemi pursuant to paragraph 2 above.

4. This agreement may not be modified or terminated orally, but only by a written agreement signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have signed this agreement as of the 11th day of February, 1976.

CYRUS HASHEMI

By _____

CORONADO GROUP LIMITED

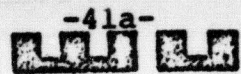
By _____

Director

INTER-REGIONAL FINANCIAL GROUP, INC.

By _____

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

-41a-

western union

Mailgram



2-042026F196 07/14/76 ICS IPPMTZZ CSP MPSH
8868888888 MGM TDMT DARIEN CT 100 07-14 0414P EST

INTER REGIONAL FINANCIAL GROUP INC
100 DAN TOWER
MINNEAPOLIS MN 55402

YOUR TELEGRAM TO CYRUS HASHEMI
WAS DELIVERED ON JULY 14 1976

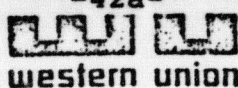
WESTERN UNION

16:14 EST

MGMCOMP MGM

EXHIBIT D

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

-42a-
 Mailgram®
western union



2-018819E196002 07/14/76 ICS IPMBNGZ CSP MPSB
1 6123712809 MGM TDBN MINNEAPOLIS MN 07-14 1129A EST

INTER-REGIONAL FINANCIAL GROUP INC EN
100 DAIN TOWER
MINNEAPOLIS MN 55402

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

6123712809 TDBN MINNEAPOLIS MN 187 07-14 1129A EST
FON 2036550900
MR CYRUS HASHEMI, REPORT DELIVERY BY MAILGRAM COPY MESSAGE
44 ARROWHEAD WAY
DARIEN CT 06820

WE HAVE BEEN NOTIFIED TODAY THAT WE MUST REIMBURSE THE FIRST NATIONAL BANK OF ST PAUL TOMORROW, JULY 15, 1976, IN THE AMOUNT OF U.S. \$250,000 FOR THE ADVANCE TO BE MADE ON JULY 15, 1976 BY THE FIRST NATIONAL BANK OF ST PAUL TO BANQUE SCANDIAVE EN SUISSE, GENEVA, PURSUANT TO THE DRAW MADE BY BANQUE SCANDIAVE EN SUISSE ON THE FIRST NATIONAL BANK OF ST PAUL UNDER THE LATTERS LETTER OF CREDIT IN THAT AMOUNT SECURING BANQUE SCANDIAVES LOAN IN THAT AMOUNT TO CORONADO GROUP LIMITED. PURSUANT TO THE TERMS OF THE INDEMNITY AND GUARANTY AGREEMENT DATED FEBURARY 11, 1976 BY AND AMOUNG YOU, US AND CORONADO GROUP LIMITED WE HERBY MAKE DEMAND UPON YOU TO INDEMNIFY US IMMEDIATELY IN THE AMOUNT OF U.S. \$250,000 TOGETHER WITH INTEREST THEREON FROM THE DATE HEREOF AT THE RATE OF 6 PERCENT PER ANNUM. IF PAYMENT IS NOT RECEIVED BY US IN FUNDS GOOD IN MINNEAPOLIS BY NOON ON JULY 16, 1976 WE SHALL BE OBLIGATED TO AVAIL OURSELVES OF OUR LEGAL REMEDIES.

INTER-REGIONAL FINANCIAL GROUP INC BY THOMAS E. HOLLORAN,
CHAIRMAN AND PRESIDENT

11:29 EST

MGMCONF MGM

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

-43a-

SENT TO
Cyrus Hashemi
STREET AND NO.

P.O., STATE AND ZIP CODE
Darien Conn.

OPTIONAL SERVICES FOR ADDITIONAL FEES

RETURN RECEIPT SERVICES	1. Shows to whom and date delivered	15¢
	With delivery to addressee only	65¢
	2. Shows to whom, date and where delivered	35¢
	With delivery to addressee only	85¢
DELIVER TO ADDRESSEE ONLY		50¢
SPECIAL DELIVERY (extra fee required)		

POSTMARK
OR DATE

PS Form 3800
Apr. 1971

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

© GPO : 1974 O - 551-454

July 14, 1976

Mr. Cyrus Hashemi
44 Arrowhead Way
Darien, Connecticut 06820

Dear Mr. Hashemi:

The following is the text of a telegram sent to your residence at 11:15 a.m. this date.

We have been notified today that we must reimburse The First National Bank of Saint Paul tomorrow, July 15, 1976 in the amount of U.S. \$250,000 for the advance to be made on July 15, 1976 by The First National Bank of Saint Paul to Banque Scandinave en Suisse, Geneva, pursuant to the draw made by Banque Scandinave en Suisse on The First National Bank of Saint Paul under the latter's letter of credit in that amount securing Banque Scandinave's loan in that amount to Coronado Group Limited. Pursuant to the terms of the Indemnity and Guaranty Agreement dated February 11, 1976 by and among you, us and Coronado Group Limited, we hereby make demand upon you to indemnify us immediately in the amount of U.S. \$250,000 together with interest thereon from the date hereof at the rate of 6% per annum. If payment is not received by us in funds good in Minneapolis by noon on July 16, 1976, we shall be obligated to avail ourselves of our legal remedies.

Very truly yours,

Thomas E. Holloran

TEH:eh

No. 035854

FILED

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

AUG 12 8 34 AM '76

U.S. DISTRICT COURT
NEW HAVEN, CONN.

INTER-REGIONAL FINANCIAL GROUP, INC.)

Plaintiff,)

V.)

CYRUS HASHEMI,)

Defendant.)

CIVIL ACTION NO.

B-76-216

SECOND
AMENDED TEMPORARY RESTRAINING ORDER
AND ORDER TO SHOW CAUSE

Upon the Complaint and Application for Temporary Restraining Order and Order to Show Cause and upon the affidavits submitted, and it appearing that plaintiff will suffer irreparable injury and loss unless this order issues as herein extended, in that absent such order, defendant will be impeded from consummating any prejudgment remedy herein, and it appearing that such extension will permit such order to remain in effect pending hearing on the prejudgment remedy and injunction, and it further appearing that the parties consent to the entry of this Second Amended Temporary Restraining Order, it is hereby

ORDERED, pursuant to the provisions of Rule 65 of the Federal Rules of Civil Procedure, that the defendant, his agents, servants, employees and attorneys, and all persons acting in concert or participation with him are hereby restrained until August 18, 1976 and thereafter until decision on the pending applications for prejudgment remedy and injunction

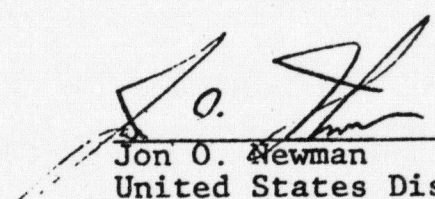
from transferring, concealing or otherwise disposing of any securities owned by him, from permitting the balance in any bank account or certificate maintained by him with the Union Trust Company (including any joint accounts or certificates) to diminish from the highest average balance on any day since July 28, 1976, and from removing defendant's automobile from this jurisdiction or from defendant's home in Darien (other than for a period of less than twenty-four hours when such removal is for the purpose of defendant's personal use of such automobile) or transferring title thereto, provided, however, that in the event the defendant wishes to sell any of the aforesaid securities, he shall be entitled to do so only by having any bank within the State of Connecticut (a) arrange for the sales of the securities; (b) agree in writing to hold the proceeds of such sale in escrow pending order of this Court; and (c) give notice of such agreement, and any sale, to plaintiff's attorney; and it is further

ORDERED, that plaintiff give security in the sum of \$250.00 in connection with such temporary restraining order, and it is

FURTHER ORDERED, that the hearing scheduled for August 10, 1976 be and hereby is adjourned, and that defendant appear before this Court at Hartford (before Judge Newman) on the 18th day of August, 1976 at 4 p.m., or as soon thereafter as counsel can be heard, with the certificates evidencing the securities owned by him and show cause why plaintiff's application for prejudgment remedy should not be granted and why a permanent injunction should not issue enjoining defendant, his agents, employees, attorneys and all persons in active concert

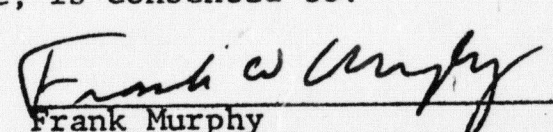
and participation with him pending consummation of any pre-judgment remedy awarded herein from withdrawing funds or writing checks upon any bank account in or certificate maintained by him with the Union Trust Company and from removing the defendant's Mercedes-Benz from this jurisdiction or from defendant's home in Darien, and requiring defendant to surrender all certificates evidencing his securities, endorsed in blank, to be attached in accordance with this Court's process.

Dated at New Haven, Connecticut, this 28 day of July, 1976 at 3:30 p.m. as amended this 3rd day of August, 1976 at 5:30 p.m., as further amended this // day of August, 1976 at

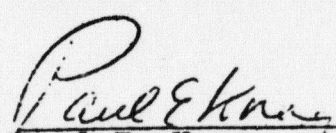

Jon O. Newman

United States District Judge

Entry of this second amended order, including the extension beyond the twenty day period provided in Rule 65 of the Federal Rules of Civil Procedure, is consented to.


Frank Murphy

Attorney for Defendant
Slavitt, Connery & Vardamis
618 West Avenue
Norwalk, Connecticut


Paul E. Knag

Attorney for Plaintiff
Cummings & Lockwood
One Atlantic Street
Stamford, Connecticut

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

INTER-REGIONAL FINANCIAL GROUP, INC.)

Plaintiff)

VS.)

CYRUS HASHEMI,)

Defendant)

CIVIL ACTION NO.
B-76-216

ANSWER, AFFIRMATIVE
DEFENSES and COUNTERCLAIM

OCTOBER 1, 1976

ANSWER

1. As to Paragraphs 1, 7, 8, 10, 11 and 12 of the complaint, the defendant has no information or belief and leaves the plaintiff to its proof.

2. The defendant admits Paragraphs 5 and 6 of the complaint, and admits that his usual place of abode is Darien, Connecticut.

3. As to Paragraph 9 of the complaint, the defendant admits the execution of the document entitled "Indemnity and Guaranty Agreement" dated February 11, 1976, and admits that Exhibit C attached to said complaint is a copy of said agreement.

4. The remainder of the allegations of the complaint are denied.

FIRST AFFIRMATIVE DEFENSE

The Indemnity and Guaranty Agreement attached to the complaint as Exhibit C provided for the furnishing of financial accommodations by the plaintiff to Coronado Group, Ltd. (hereinafter referred to as Coronado), until December 31, 1976. The plaintiff failed to furnish said financial accommodations as provided in said agreement, thereby causing Coronado to be in default of the terms of the Loan Agreement as alleged in the complaint.

As a result of the failure of the plaintiff to fulfill its obligations under said Indemnity and Guaranty Agreement, the consideration for said agreement has failed and as a result thereof, said Indemnity and Guaranty Agreement is unenforceable as to the defendant because of the lack of consideration.

SECOND AFFIRMATIVE DEFENSE

The Loan Agreement alleged in the complaint and the Letter of Credit were extended until January 14, 1977. Banque Scandinave en Suisse called the payment due under said Loan Agreement because of the failure of Coronado to pay the interest.

At the time the decision was made not to pay the interest, representatives of the plaintiff were in control of the Board of Directors of Coronado and elected to cause Coronado to be in default for its own corporate purposes. Said decision, as made by representatives of the plaintiff, to cause the note to become due, is a breach of the director's fiduciary duty and renders void and of no legal effect any agreements between the plaintiff and the defendant.

THIRD AFFIRMATIVE DEFENSE

The plaintiff and its representatives on the Board of Directors of Coronado determined that for corporate purposes of the plaintiff it would act against the best interests of Coronado thus causing Coronado to default on its obligations and to be put in a position of jeopardy. As a result thereof, a creditor forced the liquidation of Coronado to the detriment and damage of the defendant and other stockholders of said corporation.

By way of set-off the defendant claims any and all damages incurred by him occasioned by the actions of the plaintiff, its officers and directors, and by persons appointed by it to the Board of Directors of Coronado or acting in concert with its officers and directors.

The defendant claims by way of set-off, such greater or lesser sum as may be determined by the court to be due him as damages, and requests a judgment in said amount.

COUNTERCLAIM

FIRST COUNT:

1. At all times relevant hereto, the defendant was a stockholder of Coronado and owned approximately 28% of the issued and outstanding shares of capital stock in said corporation.

2. At all times relevant hereto the plaintiff was a stockholder of Coronado and owned approximately 28% of the issued and outstanding shares of capital stock in said corporation.

3. At all times relevant hereto, one Robert W. Fischer was both an officer and a director of the plaintiff and its subsidiary Dain, Kalman and Quail, and was an officer and a director of Coronado. In addition, at all times relevant hereto, at least two other persons were officers and directors of both the plaintiff and Coronado.

4. On or about May 11, 1976, the defendant resigned his position as an officer and director of Coronado. On May 11, 1976, the Board of Directors of Coronado met and voted to accept the defendant's resignation as an officer and director, unless certain conditions were met, including the acceptance of certain conditions by the plaintiff.

5. The plaintiff, acting through its officers and directors, determined that it would not be in the best interests of the plaintiff corporation to continue its participation in Coronado, and it failed and refused to carry out its agreements and obligations with Coronado.

6. As a result of said corporate decision, the plaintiff caused Robert W. Fischer and its other representatives on the Board of Directors of Coronado to act in a manner which was in breach of their fiduciary duty to Coronado and contrary to the corporate purposes of Coronado.

7. As a further result of various corporate determinations made by the officers and directors of the plaintiff, the filing of a petition in liquidation of Coronado was encouraged, and, in fact, the Bank of N. T. Butterfield filed a petition for liquidation of Coronado in Bermuda. Consequently, Coronado was prevented from fulfilling its obligations to its creditors and shareholders, including the defendant.

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8. The plaintiff, acting through its officers and directors, breached its fiduciary duty to the shareholders of Coronado, in that:

a. It refused to meet the terms of its agreement to provide financial accommodations in the form of paying interest on the note to keep the note in full force and effect;

b. It permitted Coronado to default on the payment of the interest, even though the Letter of Credit from First National Bank of St. Paul and the Loan Agreement had been extended by Banque Scandinave en Suisse to January 14, 1977;

c. It acted against the best interests of Coronado by insisting that the dispute among the shareholders concerning the future of the corporation be resolved before it would honor its commitments to the corporation;

d. It actively took the position that Coronado should be liquidated and made arrangements with the Bank of N. T. Butterfield to seek liquidation; and

e. Its representatives on the Board of Directors acted on behalf of the plaintiff rather than acting with good faith and fidelity to the interests of Coronado.

9. As a result thereof, the defendant and other shareholders were caused substantial and severe damages since their ownership interest in said corporation was rendered valueless and Coronado has been forced to liquidate.

SECOND COUNT:

1-5. Paragraphs 1-5 of the First Count are hereby made Paragraphs 1-5 of the Second Count.

6. Prior to July 15, 1976, Banque Scandinave en Suisse agreed to extend the Loan Agreement until January 14, 1977 and the First National Bank of St. Paul agreed to extend the terms of the Letter of Credit securing said loan to January 14, 1977.

7. The Indemnity and Guaranty Agreement attached to the plaintiff's complaint as Exhibit C required the plaintiff to provide "financial accomodations" to Coronado until December 31, 1976.

8. The plaintiff failed and refused to provide financial accomodations, as provided in said agreement, to Coronado, thereby causing Coronado to be in default under the terms of the Loan Agreement.

9. As a result of the failure of the plaintiff to provide financial accomodations under said Indemnity and Guaranty Agreement, Coronado was forced to be in default and was placed in a position where a creditor moved for liquidation of the corporation as hereinbefore alleged.

10. As a result of the failure to provide financial accomodations as provided in the agreement, the plaintiff breached the terms of the Indemnity and Guaranty Agreement, thereby causing the defendant considerable loss and damage.

WHEREFORE, it is respectfully requested that this Court:

1. Award damages in the amount of \$300,000 to the defendant, or for such greater or lesser amount as the Court may determine to be fair, just, and reasonable;
2. Declare the Indemnity and Guaranty Agreement dated February 11, 1976, null and void, or, in the alternative, unenforceable as to the defendant; and
3. Award such other and further relief as the Court may determine to be just and proper.

Frank W. Murphy #58789
Attorney for Defendant
Slavitt, Connery & Vardamis
618 West Avenue
Norwalk, Connecticut

Certification

I, Frank W. Murphy, attorney for the defendant, hereby certify that on the 1st day of October, 1976, I served a copy of the foregoing on Paul E. Knag, Cummings & Lockwood, One Atlantic Street, Stamford, Connecticut, and on Robert P. Dolian, Cummings & Lockwood, One Atlantic Street, Stamford, Connecticut,

BY E. VARDAMIS
CUMMINGS & LOCKWOOD

FILED

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U.S. DISTRICT COURT
NEW HAVEN, CONN.

UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

INTER-REGIONAL FINANCIAL
GROUP, INC.

V.

CYRUS HASHEMI

:
:
:
:
:
:

CIVIL NO. B-76-216

RULING ON APPLICATION FOR PREJUDGMENT REMEDY

Plaintiff seeks \$250,000 in damages plus costs and attorney's fees for defendant's alleged breach of an indemnity agreement. Jurisdiction is based on diversity of citizenship. Plaintiff seeks a prejudgment remedy under Fed. R. Civ. P. 64 and § 52-278a of the Connecticut General Statutes to secure any judgment that may be entered. Since the assets of the defendant that are presently located in the state of Connecticut fall far short of the amount claimed in the suit, plaintiff asks that the Court enter an order enjoining the transfer of defendant's securities and requiring the defendant to bring his stock certificates, currently located in other states and countries, into the state of Connecticut, where they will become subject to the prejudgment remedy.

The complaint alleges that pursuant to a loan agreement dated November 28, 1975, Coronado Group, Ltd. borrowed \$250,000 from Banque Scandinave en Suisse. The loan was secured by an irrevocable letter of credit issued by the First National Bank of St. Paul. The letter of credit had

been obtained by the plaintiff for Coronado. In plaintiff's application for the letter of credit, plaintiff agreed to reimburse First National Bank of St. Paul for any payments made under the letter of credit. Subsequently plaintiff and defendant entered into an indemnity agreement under which defendant agreed to indemnify and hold the plaintiff harmless from any and all liabilities it might be called upon to pay by reason of its obligations under the application for the letter of credit. On July 15, 1976, First National Bank of St. Paul paid \$250,000 to Banque Scandinave en Suisse under the letter of credit, and on the same date the plaintiff reimbursed the St. Paul bank. Plaintiff demanded indemnification from the defendant under the indemnity agreement, but the defendant has made no payment.

The defendant admits the execution of the agreement but interposes certain affirmative defenses and counterclaims. He asserts that the plaintiff's representatives on the Coronado Board of Directors breached their fiduciary duty to Coronado and that plaintiff, rather than defendant, breached the agreement. He cites the plaintiff's failure to pay the interest on the note to put off the date when the note would be called due, and imputes to the plaintiff an intention to force Coronado into liquidation to the detriment of Coronado and defendant as minority stockholder in Coronado.

Under § 52-278d of the Connecticut prejudgment remedy statute the defendant has the right to a hearing on whether or not there is probable cause to sustain the

validity of the plaintiff's claim. This hearing has been held, and the parties have had a full opportunity to brief the issues.

The Connecticut probable cause standard on a prejudgment remedy hearing is no higher than the "reasonable grounds to believe" standard of probable cause in the context of criminal law. It is not necessary at this stage to predict the outcome. Long v. Abbott Mortgage Corp., Civil No. N-74-133 (D. Conn. Apr. 28, 1975). This probable cause standard is met in the present case. The indemnity agreement clearly sets forth the defendant's obligations. The exhibits and affidavit of Robert Fischer support the allegations of the complaint that these obligations were triggered when the plaintiff made its payment to the St. Paul bank and that the defendant breached its obligations by failing to reimburse the plaintiff. While it is possible that defendant will succeed in defeating plaintiff's claim at trial, the probable validity of the claim is sufficiently shown at this stage.

The defendant argues that the probable cause necessary for a prejudgment remedy is undermined by the existence of defenses and counterclaims which might ultimately defeat plaintiff's claims or drastically diminish the amount of recovery or even entitle defendant to recover from the plaintiff. The mere assertion of such defenses and counterclaims will not deprive plaintiff of its right to a prejudgment remedy once it has established probable cause. Perhaps, on a record quite different from the present one, a defense

might be so strong as to make meaningless the otherwise-established probable cause. A statute of limitations operating to bar a claim might be an example. In the present case, however, while the defenses may be established at trial, they do not appear on the present record to be so certain as to bar the plaintiff from obtaining security while the issues are litigated. It is significant that plaintiff has submitted affidavits in support of its claim while the defendant's own claims remain unsubstantiated apart from the allegations of the pleadings and the arguments of counsel.

Nor can the defendant's counterclaim seeking \$300,000 in damages plus ancillary relief deprive the plaintiff of a prejudgment remedy. The Court has considerable latitude under Fed. R. Civ. P. 13 to treat these counterclaims separately from the plaintiff's claims. Although defendant might prefer that the Court treat the plaintiff's claims and the defendant's counterclaims as canceling each other out at the prejudgment stage, it seems preferable to grant plaintiff its remedy once it establishes probable cause on its own claims and allow defendant to proceed independently for his own prejudgment remedy if he can make a similar showing.

The entry of a prejudgment remedy is therefore appropriate. The only remaining question is whether the Court can require the defendant to bring into the state of Connecticut the stock certificates presently located outside the jurisdiction. It is acknowledged that these stock certificates evidence shares in out-of-state corporations,

and thus § 52-289, regulating attachment of corporate rights or shares, is inapplicable since that section has been construed to apply only to shares of stock in domestic corporations. Winslow v. Fletcher, 53 Conn. 390 (1885).

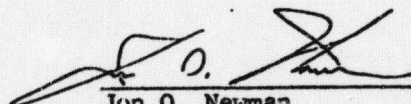
Attachment and levy upon shares of stock in all corporations, including corporations not incorporated in the state of Connecticut, are now governed by § 8-317 of the Uniform Commercial Code, Conn. Gen. Stat. § 42a-8-317. That section provides that no attachment or levy upon a security is valid until the security is actually seized by the officer making the attachment. To deal with the problem of securities that are not readily accessible to physical seizure, § 8-317(2) provides that a creditor "shall be entitled to such aid from courts of appropriate jurisdiction, by injunction or otherwise, in reaching such security or in satisfying the claim by means thereof as is allowed at law or in equity in regard to property which cannot readily be attached or levied upon by ordinary legal process." (Emphasis added). Clearly this Court could use its injunctive powers to require the defendant to deliver up the securities if they were located within the state. And, although enforcement considerations become somewhat more problematic when the securities are located out-of-state,^{1/} the authority of the Court to enter an order of the sort requested by the plaintiff has already been established in the District of Connecticut. Fleming v. Gray Mfg. Co., 352 F. Supp. 724 (D. Conn. 1973). In Fleming the

^{1/} The Court's contempt power, of course, is always available.

plaintiffs sought to attach certain securities located outside the state of Connecticut. They requested an order enjoining the defendants from transferring the securities and requiring them to deliver the share certificates to the Court. This relief was granted, with the exception that where the defendant owned shares in certain subsidiaries which then in turn owned shares in still other corporations, and where only some of the first level of subsidiaries were subject to the jurisdiction of the Court, the Court held that the injunction could reach only those parties actually before the Court. Thus the only way in which the Court's order fell short of the requested relief in that case was that the subsidiaries not subject to the Court's jurisdiction were not enjoined from transferring the stock they owned nor required to deliver the certificates to the Court.

On the basis of the Fleming case, the type of prejudgment remedy including an injunction sought by the plaintiff is granted. The injunction against transfer of securities and requiring defendant to bring certificates evidencing his securities into the jurisdiction will be granted only to the extent reasonably necessary to secure the amount prayed for in the complaint. Publicly traded securities with a value of 125% of the ad damnum or privately traded securities with a value of 200% of the ad damnum will be deemed sufficient security. A revised form of the proposed order may be submitted.

Dated at New Haven, Connecticut, this 28th day of October, 1976.



Jon O. Newman
United States District Judge

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

DEC 11 4 52 PM '76

U.S. DISTRICT COURT
NEW HAVEN, CONN.

INTER-REGIONAL FINANCIAL GROUP, INC.,)
)
Plaintiff,)
)
v.)
)
CYRUS HASHEMI,)
)
Defendant.)

CIVIL ACTION NO.
B-76-216

INJUNCTION

This cause came on to be heard upon order to show cause on plaintiff's motion for an injunction and prejudgment remedy, and the court, having considered the complaint, the affidavits and deposition transcript submitted and, as to finding of fact number 10, the statements of defendant's counsel in his brief, makes the following findings of fact and conclusions of law:

FINDING OF FACTS

1. The defendant Cyrus Hashemi is a citizen of Iran, with his usual place of abode at 44 Arrowhead Way, Darien, Connecticut.
2. Plaintiff is a Delaware corporation whose principal offices are located in Minneapolis, Minnesota.
3. The amount in controversy herein exceeds the sum of \$10,000 exclusive of interest and costs.
4. Plaintiff made application to the First National Bank of St. Paul on November 24, 1975 for a Letter of Credit to secure a loan made to Coronado Group, Ltd. by Banque Scandinave en Suisse. A copy of the application is attached to the complaint herein.

5. The Letter of Credit was issued by the First National Bank of St. Paul pursuant to plaintiff's application.

6. Defendant entered into a certain indemnity agreement with the plaintiff dated February 11, 1976, under which defendant agreed to indemnify and hold harmless plaintiff from any and all liabilities it might actually be called upon to pay by reason of, inter. alia, its obligations under the application for the Letter of Credit dated November 24, 1975. A copy of the indemnity agreement is attached to the complaint herein.

7. On July 15, 1976, First National Bank of St. Paul paid \$250,000 to Banque Scandinave en Suisse under the Letter of Credit and called upon plaintiff to reimburse it in said amount.

8. The plaintiff paid the First National Bank of St. Paul the sum of \$250,000 on July 15, 1975 pursuant to its undertaking under the application to reimburse First National Bank of St. Paul for the amount paid on the Letter of Credit.

9. Defendant has made no payment to plaintiff despite plaintiff's demand that he do so.

10. All of the defendant's securities are located outside the State of Connecticut, and substantially all of them are outside the United States. (Defendant's Brief on Scope of Attachment Order, p. 2)

11. There is probable cause for plaintiff's claim that the defendant is indebted to the plaintiff in a sum in excess of \$250,000 pursuant to said indemnity agreement attached to the complaint herein, and plaintiff will suffer irreparable injury unless an injunction in aid of said attachment issues as prayed by plaintiff.

CONCLUSION OF LAW

Pursuant to applicable Connecticut law and Rules 64 and 65 of the Federal Rules of Civil Procedure, plaintiff is entitled to a prejudgment remedy and injunction in aid thereof to secure the claim being made herein.

Upon said findings of fact and conclusion of law, it is hereby

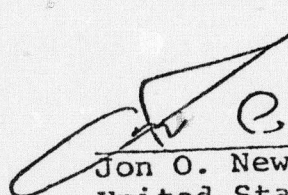
ORDERED, that defendant shall surrender to the Deputy Clerk of this Court in Bridgeport for attachment by the United States Marshall certificates evidencing publicly traded, marketable securities owned by him with an aggregate market value of \$312,500, provided that if the defendant does not own publicly traded, marketable securities with an aggregate market value of not less than \$312,500, he shall surrender to said Deputy Clerk all his publicly traded, marketable securities plus privately traded securities with an aggregate market value of not less than \$500,000 minus 160% of the value of publicly traded securities surrendered; all such securities shall be endorsed in blank, to be attached in accordance with the attachment process authorized herein, and shall not be transferred pending further order of this Court, and it is further

ORDERED that in the first instance, the determination of value shall be made in good faith by the defendant; that the defendant shall furnish the plaintiff with all documentation on which he relies for his determination of value and that in the event plaintiff contests such determination of value by the defendant, the issue may be presented to this Court for a determination by it, and it is further

ORDERED that surrender of the securities as aforesaid shall be effected on or before Jan 14, 197~~8~~⁷, and it is further

ORDERED that a writ of attachment and garnishment may issue to secure the sum of \$300,000.

Dated this 28 day of Dec., 1976.


Jon O. Newman
United States District Judge

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UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

U.S. DISTRICT COURT
BRIDGEPORT, CONN.

INTER-REGIONAL FINANCIAL GROUP, INC.,

Plaintiff

VS.

CYRUS HASHEMI,

Defendant

CIVIL ACTION NO.
B-76-216

NOTICE OF APPEAL

JANUARY 3, 1977

Notice is hereby given that CYRUS HASHEMI, Defendant in the above entitled action, hereby appeals to the United States Court of Appeals for the Second Circuit from the decision and judgment of the United States District Court entered in the above captioned proceeding on the 28th day of December, 1976.

CYRUS HASHEMI,

By

Frank W. Murphy, His Attorney
Slavitt, Connery & Vardamis
618 West Avenue
Norwalk, Connecticut
(203) 838 7555

LAW OFFICES
SLAVITT, CONNERY & VARDAMIS
618 WEST AVENUE
NORWALK, CONNECTICUT 06852

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U.S. DISTRICT COURT
BRIDGEPORT, CONN.

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

INTER-REGIONAL FINANCIAL GROUP, INC.,	)	CIVIL ACTION NO.
	)	B-76-216
Plaintiff	)	
VS.	)	
CYRUS HASHEMI,	)	<u>PERSONAL BOND ON APPEAL</u>
	)	<u>SECURED BY CASH DEPOSIT</u>
Defendant	)	JANUARY 3, 1976

The Defendant, CYRUS HASHEMI, having filed notice of appeal from the judgment of this Court entered on the 28th day of December, 1976, to the United States Court of Appeals for the Second Circuit, herewith deposits in the Registry of the Court the sum of Two Hundred Fifty Dollars (\$250.00), subject to the orders of the Court as security that said appellant shall prosecute his said appeal to effect; and that said appellant shall pay to the Plaintiff all costs if the appeal is dismissed or the judgment affirmed, or such costs as the appellate court may award if the judgment is modified.

THE DEFENDANT, CYRUS HASHEMI

By

Frank W. Murphy, His Attorney
Slavitt, Connery & Vardamis
618 West Avenue
Norwalk, Connecticut
(203) 838 7555

Excerpts from Deposition of Cyrus Hashemi, October 4, 1976

From Pages 105 - 107:

BY MR. KNAG:

Q Mr. Hashemi, at one point had you planned to move to Paris?

A Yes, as a result of Coronado's decision to move its headquarters to Paris, early part of this year we decided that

I would move in also Paris and then in--

Q Did you actually sell the house at some point?

A No, we put house in the market and -- but we never executed any contract. And the house was never sold.

Q It was never sold?

A And subsequent, I guess, to the resignation, early part of June, we decided to remain in the United States.

Q In or about July, did you go to Paris?

A Yes, I went to Paris in July once.

Q What was the purpose for that trip?

MR. MURPHY: Objection.

MR. KNAG: Okay.

MR. MURPHY: It's totally beyond the scope of anything in this case.

MR. KNAG: I'll withdraw the question. I don't think it is, but I'll withdraw it and rephrase it.

Q In or about July did you express and intention to anyone you were going to move to Paris?

MR. MURPHY: You're asking him if he expressed an intention to whom and when? I'm objecting to the form of the question.

MR. KNAG: To anyone.

MR. MURPHY: I'm objecting to the form of the question.

MR. KNAG: To whom and when? Well, I mean to anyone.

A I might have.

MR. MURPHY: I think he's already testified to what he--

A (Continuing) Yes, the decision was made, you know, in June. I might have said that we might be considering it. At that point, we had already applied for the children's school in France. But you know, we made a firm decision basically to stay in the United States and we're going to remain here.

Q So that's your current intent?

A Indeed, and I'm going to--

Q What employment do you have now, if any?

A None. But I hope that I will be commencing something shortly in the United States.

From Pages 130 - 133:

Q Did Mr. Fisher ever execute a promissory note in your favor?

A Yes, he has.

Q Do you still hold that promissory note?

A I do.

Q Does he owe you money under that promissory note?

MR. MURPHY: Well, I think we're going far beyond the scope of the lawsuit.

MR. KNAG: Absolutely not.

MR. MURPHY: Well, state your claim.

MR. KNAG: I disagree with that completely.

MR. MURPHY: What's your claim?

MR. KNAG: Well, there's a claim here that Mr. Fisher has breached his fiduciary obligation to Coronado and that Mr. Hashemi has suffered as a result and we think that it's very pertinent to that claim as to what side arrangement Mr. Hashemi might have had with Mr. Fisher. Potentially pertinent. I can't tell whether it's pertinent till I find out what the arrangement was.

MR. MURPHY: For present purposes I'm going to object to the question. Why don't you renew it in our next session and we'll--

MR. KNAG: Well, I object to that. I mean, it's -- I want to know.

MR. MURPHY: File your motion in the Federal Court then. Do it the hard way.

MR. KNAG: Let me ask a further question.

BY MR. KNAG:

Q What was the transaction which gave rise to that promissory note?

MR. MURPHY: You mean from Fisher to--

MR. KNAG: Yes.

MR. MURPHY: --the witness? I'm going to

object to it as beyond the scope of the matters in the deposition.

MR. KNAG: You object to any questions about any side arrangements between Mr. Fisher and Mr. Hashemi?

MR. MURPHY: Well, you're going to have to ask whatever questions you want to ask. I can't tell you what I'm objecting to before I know what you're asking.

Q Other than the transaction that you won't tell me about now, which is the transaction that gave rise to this promissory note, were there any other business transactions between yourself and Fisher, individually? Were there any business transactions between yourself and Fisher individually?

A No, I don't recollect any. No, I don't recollect any.

Q Were you ever the owner of your home in Darien?

A Yes, I was.

Q When did you transfer it?

A In June '75.

Q Why did you transfer it at that time?

A The anniversary of my wife and I gave it to her on that date, June 20th.

Q Anniversary of what?

A My wife, our wedding anniversary, and I gave it to my wife at that date.

Q Are you the owner of any personal property located in that home where you live?

A No.

Q Who is the owner of--

MR. MURPHY: Except his clothing, I assume.

Q Who is the owner of--

THE WITNESS: Have to ask her permission to wear it.

Q Who is the owner of the personal property at your home, except for the clothing that you wear?

A Mrs. Hashemi.

Q Do you own a Mercedes-Benz automobile?

A I do, yes.

Q What is the license number of that automobile?

A HH000.

Q When did you determine to make the gift of the real property to Mrs. Hashemi?

MR. MURPHY I'm going to object to any further questions about his personal or individual assets. They are not part of this lawsuit.

From Pages 135 - 137:

Q When IFG purchased its initial subscription of stock, which I think you said was 40,000 shares, what price did it pay for those shares?

A \$17.50 per share.

Q Did you supply any personal undertakings in connection with that transaction?

A Yes, I did.

Q In connection with that undertaking, did you supply to Dane, Coleman and Quail a certain personal financial position for Mr. Cyrus Hashemi at December 31, 1973?

A I furnished that financial information to Mr. Robert Fisher personally and received his personal assurance and guarantee that that financial statement would be only for his file and not to be released to any other officer of Dane, Coleman and Quail nor any other company. And I consider him that he has breached a trust. Because the guarantee was later revoked and there was no obligation. Therefore, he returned that statement to me immediately. He was not authorized to Xerox, he was not authorized to distribute the

statement to anyone and that was a very clear understanding and he assured me that he has even made a note about that in the company file. And I was appalled to see that as part of your complaint.

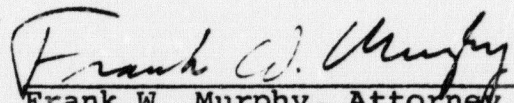
Q For what purpose did you supply this information to Mr. Fisher?

A Mr. Fisher asked me whether I could supply to him a letter of credit or a bank guarantee for that undertaking. I said no. I refused to do that.

Later, Mr. Fisher says, based on the information he had received, he's satisfied that my personal undertaking in reference this matter would be sufficient and if I could only supply him personally with a statement.

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of this Brief and Appendix has been made on opposing Counsel by mailing four (4) copies to Paul E. Knag, Cummings & Lockwood, One Atlantic Street, Stamford, Connecticut, by depositing copies of the same in the United States Mail, postage prepaid as indicated above.


Frank W. Murphy, Attorney for
the Defendant - Appellant